

April 17, 2020

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81 – Rate
Changes in Compliance with Pennsylvania Electric Company’s Default Service
Plan, Docket No. P-2017-2637857**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is a copy of Supplement No. 95 to Pennsylvania Electric Company’s (“Penelec” or the “Company”) Tariff Electric Pa. P.U.C. No. 81, which bears an issue date of April 17, 2020. The tariff changes contained in Supplement No. 95 are proposed to be effective with service rendered on or after June 1, 2020.


The purpose of this supplement is to reflect default service rate changes for customers served under the Hourly Pricing Default Service Rider. These rate changes are consistent with the Commission’s Order entered September 4, 2018 at Docket No. P-2017-2637857.

As support for the rate changes, the following schedules accompany this tariff filing:

- Schedule 1 provides supporting details for the changes to the Hourly Pricing Default Service Reconciliation Charge rate contained in the Hourly Pricing Default Service Rider.

If you have any questions regarding the enclosed documents, please contact me.

Sincerely,

DocuSigned by:

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Joanne M. Savage
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Certificate of Service
Paul Diskin, Bureau of Technical Utility Services (pdiskin@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs :
: **Docket No. P-2017-2637855, et al.**
:
:
:
:

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the foregoing documents of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

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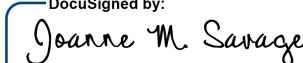
Date: April 17, 2020

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PENNSYLVANIA ELECTRIC COMPANY
READING, PENNSYLVANIA

Electric Service Tariff
Effective in
The Territory as Defined on
Page Nos. 8 - 15 of this Tariff

Issued: April 17, 2020

Effective: June 1, 2020

By: Samuel L. Belcher, President
Reading, Pennsylvania

NOTICE

Supplement No. 95 makes changes to Rider I.
See Ninety-Second Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider I – Hourly Pricing Default Service Rider service rates have been changed, decreased and increased (See Eighth Revised Page 144 and Twenty-Third Revised Page 145).

RIDERS

Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0573
	GS-Medium	1.0573
	GS-Large	1.0573
	GP	1.0234
	LP	1.0035

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

\$0.01254 per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

(D)

HP Administrative Charge:

\$0.00008 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

HP Uncollectibles Charge:

\$0.00100 per kWh representing the default service related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

(D) Decrease

RIDERS

Rider I (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penelec delivers to customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2020 through August 31, 2020, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = 0.06115 per kWh (I)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending January 31st, April 30th, July 31st, and October 31st) to be effective for the three-month period beginning on the first day of the second calendar month following the end of that Default Service Quarter (March 1st, June 1st, September 1st and December 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = [((DS_{HPExp1} + DS_{HPExp2} + DS_{HPExp3}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}] \times [1 / (1 - T)]$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2019 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the forty-eight (48) month period ending May 31, 2023 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C) Change

(D) Increase

Issued: April 17, 2020

Effective: June 1, 2020

Pennsylvania Electric Company
Hourly Pricing Default Service Rate Calculation (for Illustrative Purposes Only)
Industrial Class: For the Default Service Period June 1, 2020 through August 31, 2020

**Line
No.**

	HP Energy Charge = $\sum (\text{kWh}_t \times (\text{LMP}_t + \text{HPOth}) \times \text{HP}_{\text{Loss Multiplier}}$	
1	$\sum (\text{kWh}_t \times$	kWh for each hour in billing period
2	$(\text{LMP}_t + \text{HPOth})$	LMP = Real Time PJM Load Weighted average LMP for PN Zone for each hour
3		HPOth = \$.004 per kWh for Ancillary Services
4	<hr/> HP Energy Charge (Line 1 x Line 2)	t = An hour in the Billing Period
5	x HP Loss Multiplier	GS Small, Medium, and Large = 1.0573 GP = 1.0234 LP = 1.0035
6	<hr/> HP Energy Charge (Line 4 x Line 5)	
	HP Cap-AEPS-Other Purchases (\$/MWh)	Price
7	January 2020 (June 20 through May 21)	\$ 12.54 \$/MWh
8		\$ 0.01254 per kWh
9	x HP Loss Multiplier	GS Small, Medium, and Large = 1.0573 GP = 1.0234 LP = 1.0035
10	<hr/> HP Cap-AEPS-Other Purchases (\$/MWh) (Line 8 x Line 9)	
11	HP Administrative Charge	\$ 0.00008 per kWh
12	HP Uncollectibles Charge	\$ 0.00100 per kWh
13	HP Reconciliation Charge	<hr/> \$ 0.06115 per kWh
14	Hourly Pricing Service Charge (Lines 6 + 10 + 11 + 12 + 13)	<hr/> \$ x.xxxxx

- (A) All Hourly Pricing Service Charge computations will be pursuant to the terms of the Company's "Hourly Pricing Default Service Rider".
(B) All Adders are subject to Quarterly Updates

Pennsylvania Electric Company
Computation of Industrial Class Hourly Pricing Default Service Rate Reconciliation Factor
Rate Effective June 1, 2020 through August 31, 2020

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of March 31, 2020 (See Page 3, Line 17)	\$ 1,482,302
2	Projected Industrial Class kilowatt hour sales - June 1, 2020 - August 31, 2020 (Line 11)	12,880,225 kWh
3	Industrial Class Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.11508 per kWh
4	Industrial Class Reconciliation Rate Adjustment Factor	<u>50.00%</u>
5	Industrial Class Reconciliation Rate before PA Gross Receipts Tax, as adjusted (Line 3 X Line 4)	\$ 0.05754 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	Industrial Class Reconciliation Factor Rate including PA Gross Receipts Tax (Line 5 X Line 6)	<u>\$ 0.06115 per kWh</u>
 Projected Industrial Class kilowatt hour sales June 1, 2020 through August 31, 2020		
8	Jun-20	4,233,867
9	Jul-20	4,251,671
10	Aug-20	<u>4,394,687</u>
11	Total Projected Industrial Class kWh Sales	<u>12,880,225</u>

Pennsylvania Electric Company
Industrial Class Hourly Pricing Default Service Rate Reconciliation
January 1, 2020 through March 31, 2020

Line No.	Description	Jan-20	Feb-20	Mar-20
1	Cumulative (Over)/Under Collection at Beginning of Month	\$ 2,037,433	\$ 1,828,467	\$ 1,593,359
2	Gross Default Service Plan Revenues	\$ 765,623	\$ 617,228	\$ 722,807
3	Less: Gross Receipts Tax (Line 2 x 5.9%)	<u>45,172</u>	<u>36,416</u>	<u>42,646</u>
4	PTC _{HPR} rev Net Default Service Plan Revenues	\$ 720,451	\$ 580,811	\$ 680,161
5	Plus: Prior Period E-factor Amortization	\$ (552,818)	\$ (552,817)	\$ (679,144)
6	Revenue Available for Current Deferral	\$ 167,633	\$ 27,994	\$ 1,017
7	Less: Revenue Allocated to Uncollectibles, net of GRT	\$ 8,577	\$ 7,482	\$ 8,323
8	Revenue Available for Current Deferral	\$ 159,056	\$ 20,512	\$ (7,306)
	<u>Expenses</u>			
9	DS _{HPE} exp1 Amortization of Start Up Costs	\$ -	\$ -	\$ -
10	DS _{HPE} exp2 Cost to provide Default Service	494,283	331,452	553,941
11	DS _{HPE} exp2 Cost of Network Integration Transmission Service (NITS)	<u>-</u>	<u>-</u>	<u>-</u>
12	Total Expenses	\$ 494,283	\$ 331,452	\$ 553,941
13	Current Month (Over)/Under Collection (Line 12 - Line 8)	\$ 335,227	\$ 310,940	\$ 561,247
14	Months to the Midpoint of the Next Reconciliation Period	6.5	5.5	4.5
15	Current Month Interest Rate	4.75%	4.75%	3.25%
16	DS _{Int} Interest on Current Month Deferral (Line 13 X Line 14 X (Line 15/14))	<u>\$ 8,625</u>	<u>\$ 6,769</u>	<u>\$ 6,840</u>
17	Cumulative (Over) / Under Collections at End of Month Including Interest (Line 1 + Line 5 + Line 13 + Line 16)	<u>\$ 1,828,467</u>	<u>\$ 1,593,359</u>	<u>\$ 1,482,302</u>